



Recent Developments Regarding Chukchansi Economic Development Authority

FRESNO, Calif., March 29, 2013 /PRNewswire/ -- Chukchansi Economic Development Authority ("CEDA"), a wholly owned enterprise of the Picayune Rancheria of the Chukchansi Indians and issuer of its 9¾% Secured Notes due 2020 (the "Notes"), today announced the following recent developments.

Changes in the Membership of the Board of Directors

The Picayune Rancheria of the Chukchansi Indians ("Tribe") duly elects and appoints a Tribal Council ("Tribal Council") pursuant to the Tribe's Constitution and Election Ordinance ("Tribal Laws"). The elected Tribal Council also sits as the Board of Directors (the "Board") for CEDA. Accordingly, the make-up of the elected Tribal Council mirrors the make-up of the CEDA Board at all times. The Tribe's current enrollment consists of 902 tribal members. The Tribe's Governing Body is the Tribal Council. The General Council, which consists of tribal members that are 18 years or older ("General Council"), elects, pursuant to the Tribe's Election Ordinance, the members of the Tribal Council. At a General Council Meeting, once a quorum is established, the General Council may then "conduct all business".

On February 21, 2013, the duly elected Tribal Council consisted of the following members: Nancy Ayala (Active), Reggie Lewis (Active), Chance Alberta (Active), Charles Sargosa (Active), Carl Bushman (Active), Tracy Brechbuehl (Suspended by Tribal Council Resolution on January 24, 2013); and Karen Wynn (Suspended by Tribal Council Resolution on January 24, 2013).

On February 21, 2013, upon commencement of a regular Tribal Council Business Meeting, Nancy Ayala accepted and introduced an unverified petition and referendum consisting of 14 signatures. The petition stated that 14 signatures constituted 30% of the tribal membership because the petition alleged that there are only 46 tribal members consisting solely of members of the Wyatt and Ramirez families. Nancy Ayala, a member of the Wyatt family, accepted the petition and referendum and proceeded to attempt to remove the entire Tribal Council including, Reggie Lewis, Chance Alberta, Charles Sargosa, Carl Bushman, Tracy Brechbuehl, and Karen Wynn. Nancy Ayala did not remove herself because she was the sole member of the Tribal Council who is also a member of the Wyatt family. Nancy Ayala then attempted to appoint 6 new, never-elected tribal members to the Tribal Council consisting only of members of the Ramirez and Wyatt families.

Under the Tribe's Bureau of Indian Affairs approved Tribal Constitution, a referendum would require the verified signatures of at least 30% of the enrolled membership to be effective; therefore, a valid petition would have had to include at least 246 verified signatures of the General Council.

Immediately following the February 21, 2013 meeting, the Tribal Council suspended Nancy Ayala due to her actions. Accordingly, the Tribal Council and the Board currently consist of the following members: Reggie Lewis (Active); Charles Sargosa (Active); Chance Alberta (Active); Carl Bushman (Active); Karen

Wynn (Suspended by Tribal Council action on January 24, 2013); Tracy Brechbuehl (Suspended by Tribal Council action on January 24, 2013); and Nancy Ayala (Suspended by Tribal Council action on February 21, 2013).

All suspension investigations are currently pending pursuant to Tribal Laws and due process. Pursuant to Tribal Laws, Tribal Council and Board members cannot be removed until the investigations are completed, hearings are conducted, and a formal vote of Tribal Council is taken on the guilt or innocence of the person suspended. Pursuant to Tribal Laws, Tribal Council and Board members cannot be appointed until a Tribal Council member has been properly removed.

At the Tribal Council's Regular Meeting on March 25, 2013, the Tribal Council determined that Tribal Council Member Charles Sargosa had failed to attend three successive meetings without being excused for cause, and as a result, under Article X Section 3 of the Tribe's Constitution, Mr. Sargosa had forfeited his office as a member of the Tribal Council. Pursuant to the Tribe's Election Ordinance and with the recommendation of the Tribe's Election Committee, the remaining members of Tribal Council adopted a resolution approving the appointment and installation of Tribal member Irene Waltz to Tribal Council to replace Mr. Sargosa.

Therefore, following the March 25 Tribal Council Regular Meeting, the Tribal Council and the Board consist of the following members: Reggie Lewis (Active); Chance Alberta (Active); Carl Bushman (Active); Irene Waltz (Active); Karen Wynn (Suspended by Tribal Council action on January 24, 2013); Tracy Brechbuehl (Suspended by Tribal Council action on January 24, 2013); and Nancy Ayala (Suspended by Tribal Council action on February 21, 2013).

The Tribal Council and CEDA continue to meet regularly to protect the interests of Tribal Members and protect the assets of CEDA. Because Nancy Ayala has been suspended from Tribal Council and CEDA for the events that occurred on February 21, 2013, CEDA believes, based on the advice of counsel, that any and all subsequent actions from Nancy Ayala and any individuals working in concert with her group should be recognized as *void ab initio*, as they are, in violation of Tribal Laws and thus, illegal, unauthorized, invalid, and illegitimate attempts to usurp the sovereign authority of the Tribe, Tribal Council and CEDA.

CEDA is not required to file periodic reports with the U.S. Securities and Exchange Commission ("SEC"). However, the Indenture relating to the Notes requires CEDA to furnish certain information to holders of Notes, including some information which would be included in periodic reports if CEDA were required to file such reports with SEC. Without the approval of CEDA, Nancy Ayala and Tracey Brechbuehl signed a Substitute Form 8-K, which was made available to holders of the Notes through an electronic data site established for the benefit of Note holders. **This document, which is not intended to, and does not, include all information that an issuer filing a Form 8-K with SEC would be required to include, falsely describes the composition of the CEDA Board and should not be relied upon by Note holders or others.**

Indenture Matters

CEDA has reason to believe that not all revenues generated by the Chukchansi Gold Resort & Casino ("Chukchansi Gold") are being deposited with a Qualified Bank (as defined in the Indenture, dated as of May 30, 2012 (the "Indenture"), relating to the Notes) and instead are being improperly retained at Chukchansi Gold, improperly spent or improperly deposited with another financial institution. These actions may constitute a breach of the Indenture and could trigger an Event of Default thereunder. CEDA has designated only one Qualified Bank under the Indenture, which is Rabobank, N.A. ("Rabobank"). In addition, CEDA has reason to believe, based on information provided by Rabobank, that Rabobank may not have sufficient funds on hand when the next interest payment is required to be paid on the Notes (i.e., March 30, 2013) to fund that interest payment while retaining sufficient funds to pay the ordinary operating expenses of Chukchansi Gold. Accordingly, it is possible that CEDA will not be able to make this

payment and, therefore, an Event of Default would occur under the Indenture.

CEDA has reason to believe that Nancy Ayala , Tracey Brechbuehl , Karen Wynn and Charles Sargosa continue to represent that they are the only members of the Tribal Council and the Board. CEDA also has reason to believe that this group, purportedly acting in their capacity as the Tribal Council, has attempted to bring a legal proceeding against Rabobank before an illegally established tribal court for the purpose of forcing Rabobank to release CEDA funds held by it pursuant to the Indenture and the related Deposit Account Control Agreement ("DACA"). Counsel to CEDA has advised CEDA that such action constitutes a breach of the DACA since the DACA provides that legal actions by the Tribe or CEDA against Rabobank must be brought initially in either the courts of New York or the courts of California. Further, such action by Nancy Ayala , Tracey Brechbuehl , Karen Wynn and Charles Sargosa may constitute a breach of the Indenture and could trigger an Event of Default thereunder. CEDA has commenced a legal proceeding before the legitimately established tribal court (the "Tribal Court") against Nancy Ayala , Tracey Brechbuehl , Karen Wynn and Charles Sargosa seeking a court order, among other things, declaring this action unlawful and halting it. CEDA also seeks declaratory and injunctive relief against certain individuals responsible for managing Chukchansi Gold and against Rabobank in connection with their actions facilitating the wrongful acts of Nancy Ayala , Tracey Brechbuehl , Karen Wynn and Charles Sargosa. The Board has retained outside counsel to conduct an investigation into the possible diversion of revenues generated by Chukchansi Gold and other alleged acts of impropriety relating to the operation of Chukchansi Gold. Until this investigation is completed and the Board has an understanding of the material facts relating to this matter, CEDA does not intend to comment further on the subject unless required to do so pursuant to applicable law.

Audit of 2012 Financial Statements

The Indenture requires CEDA to prepare annual audited financial statements and furnish them together with certain other information to the Trustee and the holders of Notes. The audited financial statements as at and for the year ended December 31, 2012 must be so furnished no later than April 1, 2013. CEDA has been advised by its outside accounting firm that they will be unable to prepare such audited financial statements in time for CEDA to meet such deadline. Failure by CEDA to meet this deadline (which may be extended as permitted by the Indenture) would constitute a breach of the Indenture and could trigger an Event of Default thereunder. In addition, the Indenture provides that if the CEDA fails to make available to holders of Notes such financial statements and information within 15 days after the date that such disclosure must be made to the Trustee and the holders of Notes without regard to any applicable grace period (i.e., April 1, 2013), then the annual interest rate borne by the Notes will increase by an additional 0.50% per annum for the subsequent number of days for which such disclosure has not been made.

SOURCE Chukchansi Economic Development Authority

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For Immediate Release
March 29, 2013

Chukchansi Economic Development Authority Holds Conference Call with Note Holders

Coarsegold, CA March 29, 2013 -- The Chukchansi Economic Development Authority ("Authority") operator of the premier Central California destination casino resort facility Chukchansi Gold Resort & Casino ("Chukchansi Gold"), had a conference call today with Holders of its 93/4% Secured Notes Due 2020.

All interested parties may access a recorded version of the conference call at www.chukchansi.net.

Information About this Press Release

This press release is for informational purposes only and is not an offer to buy or to sell, or the solicitation of an offer to buy or to sell, any security. For questions, please contact Giffen Tan, Chukchansi Gold Resort & Casino General Manager at [559-692-5200](tel:559-692-5200).

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can be identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects," "will," "may," "should," "would," "could," "projects," "targets," "views," negative or other variations of these words, and similar expressions and other words of similar import and similar references to future periods. Forward-looking statements involve known and unknown risks, uncertainties, changes in circumstances and other factors that are difficult or impossible to predict and which may cause actual results, performance and achievements, or industry results, to be materially different from any future results, outcomes, performance or achievements expressed or implied by such forward-looking statements. Such statements are neither statements of historical fact nor guarantees or assurances of future performance. Actual results may differ materially from those expressed or implied by the forward-looking statements, and forward-looking statements will be achieved. For all of the foregoing reasons, we caution you against relying on any forward-looking statement contained in this press release.

Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, regional, national or global political, economic, business, competitive, market, and regulatory conditions and any, some or all the following, in addition to other risks: (i) our substantial indebtedness, significant financial commitments, and the possible exercise of remedies by our creditors, (ii) our ability to service or refinance our indebtedness to make planned expenditures, as well as our ability to negotiate and consummate a restructuring with our creditors on satisfactory terms, or at all; (iii) the impact of economic, competitive, demographic, business, regulatory, market, financial, credit and other conditions on the local and regional market in which the Chukchansi Gold operates and the locations in which our customers reside; (iv) restrictions and limitation imposed by the documents governing our indebtedness; (v) intense competition from our peers in the market in which we operate and with respect to leisure and travel locations generally; (vi) the dependence of the Chukchansi Gold on a single gaming market; (vii) unusual maintenance, repair or capital expenditure requirements; (viii) the susceptibility of leisure and business travel to global geopolitical events, including terrorist attacks, acts of war or hostility, or other similar events; (ix) our extension of credit to certain of our customers and the fact that we may not be able to collect gaming receivables from our credit players; (x) the fact that we are subject to extensive regulation, and the related costs of

compliance or failure to comply with such regulations; (xi) the outcome of pending and potential future litigation claims against us; (xii) our labor relations and the fact that a significant portion of our labor force is covered by a collective bargaining agreement; (xiii) dependence on key personnel; and (xiv) a history of defaults and disputes under certain agreements.

Any forward-looking statement made by us herein speaks only as of the date on which it is made. Other factors or events that could cause actual results to differ may emerge from time to time, and it is not possible for us to predict or identify all such factors. Consequently, this disclosure does not constitute a complete discussion of all potential risks or uncertainties. We undertake no obligation to update any forward-looking statement (or any other statement contained herein), except as may be required by law. You are advised to consult all prior and later disclosures we make on related subjects.

Source: Chukchansi Economic Development Authority